

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2037 - HB 2547

February 12, 2018

SUMMARY OF BILL: Decreases, from \$268 to \$100, the total lifetime handgun carry permit fee required for honorably discharged retired military service members with at least 20 years of service. Decreases, from \$200 to \$100, the fee for such retired military personnel to upgrade to a lifetime handgun carry permit.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue –

Net Impact – \$113,500/Each FY18-19 through FY25-26/

Department of Safety

Net Impact – \$109,000/FY26-27 and Subsequent Years/

Department of Safety

Assumptions:

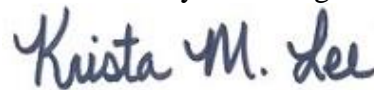
- Any overall impact on the number of handgun carry permits issued is estimated to be not significant.
- The current fee for a regular eight-year handgun carry permit for military veterans is \$68; the current fee for renewal is \$50.
- The current lifetime permit fee for retired military veterans is \$268; the current fee to upgrade to a lifetime permit is \$200.
- A \$100 initial fee or a \$100 upgrade fee will be charged to qualifying veterans under this legislation.
- According to the Department of Safety (DOS), there are approximately 14,210 veterans that currently hold a handgun carry permit.
- Based on information provided by DOS, approximately 2,354 veterans currently hold a lifetime carry permit.
- It is unknown how many of those currently holding a regular permit would meet the requirements of 20 years of service; additionally it is unknown how many additional veterans who currently hold a permit will qualify each year; however, it is reasonably assumed that approximately 1,000 veterans will renew permits each year that qualify for the reduced fee.
- It is reasonably assumed that at least one-half, or 500 (1,000 x 50%) of these veterans each year would have upgraded to a lifetime permit under current law upon the expiration of their current permit.
- An eight-year renewal cycle.

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- The decrease in state revenue to DOS is estimated to exceed \$50,000 ($\$100 \text{ decrease} \times 500$) each year over the eight year period from FY18-19 to FY25-26.
- Of the remaining 500, it is assumed that one-half, or 250 ($500 \times 50\%$), will continue to renew at the \$50 rate, while the remaining 250 will upgrade to a lifetime permit due to the reduced rate of \$100 under this legislation.
- An eight-year renewal cycle.
- This will result in an increase in state revenue to DOS of \$12,500 ($\50×250) each year over the eight-year period from FY18-19 to FY25-26.
- In FY26-27 and subsequent years there will be a decrease in state revenue of \$12,500 from those permit holders no longer renewing their permits.
- The precise number of new applicants for a handgun carry permit who will qualify for the reduced rate each year is unknown; however it is reasonably assumed that at least 1,000 new applicants will qualify.
- It is reasonably assumed that at least one-half, or 500 ($1,000 \times 50\%$) of these veterans would have obtained a lifetime permit under current law.
- A \$168 decrease in initial permit fees.
- The recurring decrease in state revenue to DOS is estimated to exceed \$84,000 ($\$168 \text{ decrease} \times 500$) beginning in FY18-19.
- Of the remaining 500, it is assumed that one-half, or 250 ($500 \times 50\%$), will continue to obtain a permit at the \$68 rate, while the remaining 250 will obtain a lifetime permit due to the reduced rate of \$100 under this legislation.
- This will result in an increase in state revenue to DOS of \$8,000 [$(\$100 - \$68) \times 250$] each year over the eight-year period from FY18-19 to FY25-26.
- In FY26-27 and subsequent years there will be a decrease in state revenue of \$12,500 ($\$50 \text{ renewal fee} \times 250$) from those permit holders no longer renewing their permits.
- The total net decrease in state revenue to DOS each year FY18-19 through FY25-26 is estimated to exceed \$113,500 ($\$84,000 + \$50,000 - \$12,500 - \$8,000$).
- Beginning in FY26-27, the net recurring decrease in state revenue to DOS is estimated to exceed \$109,000 ($\$84,000 + \$12,500 + \$12,500$).
- The Department of Safety may experience a decrease in state expenditures beginning in FY26-27 due to processing fewer applications; however, any such decrease is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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